2020 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 87

BY REPRESENTATIVE MAGEE

TAX CREDITS: Urges and requests that any proclamation convening an extraordinary session of the legislature in 2020 include an extension of effectiveness and changes to eligibility requirements of the rehabilitation of historic structures tax credit

A CONCURRENT RESOLUTION

To urge and request that extension of effectiveness and changes to the eligibility requirements of the rehabilitation of historic structures tax credit incentive provided for in R.S. 47:6019 be included in any proclamation convening an extraordinary session of the legislature in 2020.

WHEREAS, on March 11, 2020, Governor John Bel Edwards invoked his authority under the Louisiana Health Emergency Powers Act, R.S. 29:760 et seq., to issue Emergency Proclamation Number 25 JBE 2020, which declared a statewide public health emergency as a result of the imminent threat posed to Louisiana citizens by the outbreak of a respiratory disease caused by the novel coronavirus known as COVID-19; and

WHEREAS, on March 13, 2020, the governor issued Emergency Proclamation Number 27 JBE 2020, which supplemented the measures taken in Emergency Proclamation Number 25 JBE 2020 with additional restrictions to further protect the health and safety of the public; and

WHEREAS, on March 22, 2020, the governor issued Emergency Proclamation Number 33 JBE 2020, which implemented a general stay-at-home order to the public and additional measures including the temporary closure of certain businesses, further limiting the operations of certain non-essential businesses to the public in an effort to mitigate the impact of COVID-19 and to disrupt the spread of the virus; and
WHEREAS, on April 30, 2020, the governor issued Emergency Proclamation Number 52 JBE 2020, which extended the general stay-at-home order included in Emergency Proclamation Number 33 JBE 2020, including closure of nonessential businesses and postponement or canceling of gatherings of ten or more people in a single space at the same time where individuals will be in close proximity to one another; and

WHEREAS, many businesses in the hospitality sector such as hotels and restaurants, have experienced serious hardship and financial disruption due to COVID-19; and

WHEREAS, the ability of these businesses to expeditiously return to their previous levels of operation is critical to Louisiana's economy, as well as state and local government revenues; and

WHEREAS, many historic rehabilitation projects currently under construction or poised to begin construction, have stalled or halted due to the inability of labor to work under the general stay-at-home orders; and

WHEREAS, supplies and deliveries for historic rehabilitation projects currently under construction have been impacted due to COVID-19; and

WHEREAS, the rehabilitation of historic structures tax credit incentive provided in R.S. 47:6019 is designed to encourage private sector investment in the redevelopment of income-producing, often blighted and vacant historic buildings in certified cultural districts and downtown development districts; and

WHEREAS, historic structures have been rehabilitated and revitalized, transforming schools, warehouses, and factories into hotels, restaurants, theaters, affordable housing, community centers, senior living facilities, and other viable commercial buildings; and

WHEREAS, a study conducted by PlaceEconomics for the Department of Culture, Recreation and Tourism in 2017 indicated over eight hundred historic structures have been rehabilitated utilizing the rehabilitation of historic structures tax credit, resulting in over three thousand annual jobs, including one thousand seven hundred twenty-five direct jobs and one thousand four hundred twenty-nine indirect jobs each year; and

WHEREAS, the study indicated the rehabilitation of historic structures tax credit generates eight dollars and seventy-six cents in economic activity for every one dollar in tax credits; and
WHEREAS, the study also indicated the rehabilitation of historic structures tax credit leverages federal capital available through the federal historic tax credit, with fifty-eight and nine tenths percent of the federal historic tax credit used in Louisiana during the last decade being directly attributable to the existence of the rehabilitation of historic structures tax credit; and

WHEREAS, the rehabilitation of historic structures tax credit was utilized following natural disasters and economic recessions as an efficient and effective economic recovery tool; and

WHEREAS, the rehabilitation of historic structures tax credit is effective through January 1, 2022; and

WHEREAS, during any extraordinary session of the legislature in 2020, the legislature should consider legislation extending the effectiveness of the rehabilitation of historic structures tax credit and continuing the tax credit incentive to rehabilitate existing infrastructure located in certified cultural districts or downtown development districts; and

WHEREAS, during any extraordinary session of the legislature in 2020, the legislature should consider legislation that improves the tax credit by authorizing additional incentives for investments such as rehabilitating historic structures located in opportunity zones and parishes with a population of less than two hundred thousand; and

WHEREAS, during any extraordinary session of the legislature in 2020, the legislature should consider legislation that encourages private capital investment through the rehabilitation of historic structures tax credit in historic structures that include an allocation of federal low-income housing tax credits or federal new markets tax credits, which are authorized for projects located in low-income census tracts, or small projects that incur a minimum number of eligible costs and expenses.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request that extension of effectiveness and changes to the eligibility requirements of the rehabilitation of historic structures tax credit incentive provided for in R.S. 47:6019 be included in any proclamation convening an extraordinary session of the legislature in 2020.
BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the governor of the state of Louisiana, the speaker of the House of Representatives, and the president of the Senate.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HCR 87 Original 2020 Regular Session Magee

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